

## **2005 DRAFTING REQUEST**

### **Bill**

Received: **02/03/2005**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Louis Molepske (608) 267-9649**

By/Representing: **Rep. Molepske**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters: **rnelson2**

Subject: **Tax, Individual - income  
Military Affairs - nat'l guard**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Molepske@legis.state.wi.us**

Carbon copy (CC:) to:

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### **Pre Topic:**

No specific pre topic given

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### **Topic:**

Individual income tax checkoff for military family relief fund

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### **Instructions:**

See attached. Create an indiv. income tax checkoff to fund a military family relief fund, based on New Mexico law

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### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			rschlue 02/04/2005	_____	lemery 02/04/2005	mbarman 02/14/2005	

FE Sent For:

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## **Governor Richardson Announces Plan to Support NM National Guard, Veterans**

January 4, 2005

Billy Sparks

See p. 2

Governor Bill Richardson Proposes Bold Initiative to Support New Mexico National Guard Troops, Veterans

Plan will provide \$250,000 death benefit for all NM National Guard troops, relief fund for families, and tax credits for retired military

For Immediate Release Contact: Billy Sparks

January 4, 2005 505.476.2299

SANTA FE- Governor Bill Richardson today announced a package of benefits to provide critical financial support for New Mexico National Guard troops and the families of active duty military personnel, as well as tax credits for New Mexico veterans.

"New Mexico has a proud tradition of military service. In every conflict, New Mexicans have distinguished themselves. Literally hundreds of thousands of New Mexicans have answered the call and served our nation. Today, it is our turn to serve them," said Governor Richardson.

"Taking Care of Our Own"

The Governor is proposing that the state pay for \$250,000.00 worth of life insurance for every active member of the New Mexico National Guard. The initiative is called the "Taking Care of Our Own" plan. New Mexico will be the first state in the nation to offer this benefit.

"I have seen too many stories of families and loved ones left with nothing when their spouse, son or daughter dies in combat. This will never happen again to a family in New Mexico," said the Governor.

The program would insure all 4,027 active duty New Mexico National Guard members for \$250,000.00 through the Service Members Group Life Insurance Premiums Paid. Currently monthly premiums are \$16.25 per month. The Governor will ask the Legislature for an appropriation of \$800,000.00 annually to cover the cost.

### **Veterans' Pension Tax Exemption**

Governor Richardson is also proposing a new tax benefit for veterans, and said, "If passed, this will send a clear message to all veterans in New Mexico and across the country:---If you have devoted a lifetime of service to our nation defending our freedom---Come to New Mexico and we will support you."

The Governor's proposal includes:

- A tax exemption for 50% of military retirement pay for New Mexicans embarking on second careers
- We will actively encourage veterans who have solid training and skills -- to retire, live and settle in New Mexico
- This will immediately benefit more than 20,000 New Mexico veterans
- General Fund revenue would be reduced by \$6.4 million per year

### Military Family Relief Fund

Finally, the Governor announced a proposal to create the Military Family Relief Fund, a program to allow all New Mexicans an opportunity to give back to our troops and their families. The Fund would provide financial assistance to families of soldiers suffering financial hardships as a result of active duty or a line-of-duty related injury or illness.

The Military Family Relief Fund would provide grants to qualifying New Mexico military families to help pay for clothing, housing, medical, services, utilities, or any other related necessities of daily living. The need would have to occur while a family member is on active duty, or be the result of a line-of-duty related injury or illness.

The Military Family Relief Fund would be funded by a New Mexico income tax check-off that will allow New Mexicans to voluntarily contribute part or all of their state income tax refund to military families.

Currently, New Mexicans can use check off boxes on their income tax return to donate part or all of their state income tax refund to four charitable funds - Substance Abuse, Veteran's Cemetery, "Forest Re-leaf", and "Share with Wildlife."

For tax year 2003, roughly 5,000 income tax filers donated a total of \$83,612 to the four charitable funds.

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

- 1 AN ACT ...; **relating to:** providing financial aid to military families, creating an  
 2 individual income tax checkoff for the military family relief fund, and making  
 3 an appropriation. ✓

### ***Analysis by the Legislative Reference Bureau***

Under current law, an individual income tax check-off procedure exists that allows an individual who files a return to designate any amount of additional payment or any amount of a refund due for the endangered resources program. \* Similar checkoffs exist to provide payments to a breast cancer research program and to provide a donation to a professional football stadium district. This bill creates a similar income tax checkoff for designations to the military family relief fund.

Under the bill, an individual who has an income tax liability, is due a refund, or is required to file a return may designate any amount of additional payment, or any amount of a refund due, to the military family relief fund on his or her income tax return. If an individual's designation exceeds the amount of his or her refund, he or she must include a check with his or her tax return for the difference between the amount of the designation and the amount of the refund. If an individual who makes a contribution has a tax liability or has no tax liability and is due no refund, he or she must include a check for the amount of the designation with his or her tax return.

The bill requires that an amount equal to the total amount of designations received, less the total cost of administering the income tax check-off procedure, be deposited in the military family relief fund. The bills requires the department of military affairs to use the money from the military family relief fund to provide

(DMA)

DMA

financial aid to the immediate family of members of the national guard or reservists who are serving in active duty in the U.S. armed forces. ~~The department~~ is required to promulgate rules establishing eligibility criteria and the amount of the financial aid.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1        **SECTION 1.** 20.485 (2) (r) of the statutes is created to read:

2        20.465 (2) (r) *Military family relief.* All moneys received from the military  
3        family relief fund for the payment of financial aid to military families under s. 21.22.

4        **SECTION 2.** 20.566 (1) (hp) of the statutes is amended to read:

5        20.566 (1) (hp) *Administration of endangered resources; professional football*  
6        *district; breast cancer research; military family relief fund voluntary payments.* The  
7        amounts in the schedule for the payment of all administrative costs, including data  
8        processing costs, incurred in administering ss. 71.10 (5), (5e), ~~and (5f), and (5g)~~ and  
9        71.30 (10). All moneys specified for deposit in this appropriation under ss. 71.10 (5)  
10        (h) 5., (5e) (h) 4., ~~and (5f) (i), and (5g) (i)~~ and 71.30 (10) (i) shall be credited to this  
11        appropriation.

12        **SECTION 3.** 21.22 of the statutes is created to read:

13        **21.22 Military family financial aid. (1)** In this section:

14        (a) "Immediate family" means the spouse and dependent children of a service  
15        member who are residents of this state.

16        (b) "Service member" means a member of a reserve unit of the U.S. armed forces  
17        or of the national guard who is a resident of this state and who is serving on active  
18        duty in the U.S. armed forces.

1           (2) The department of military affairs shall provide financial aid to eligible  
2 members of the immediate family of service members. The department shall  
3 promulgate rules establishing eligibility criteria and the amount of financial aid.

4           **SECTION 4.** 25.17 (1) (jx) of the statutes is created to read:

5           25.17 (1) (jx) Military family relief fund ~~of~~ (25.38);

6           **SECTION 5.** 25.38 of the statutes is created to read:

7           **25.38 Military family relief fund.** There is established a separate  
8 nonlapsible trust fund designated as the military family relief fund. The fund shall  
9 consist of money deposited in the fund under s. 71.10 (5g) (i), together with all  
10 donations, gifts, or bequests made to the fund.

11           **SECTION 6.** 71.10 (5g) of the statutes is created to read:

12           71.10 (5g) MILITARY FAMILY RELIEF FUND CHECKOFF. (a) *Definitions.* In this  
13 subsection:

14           1. "Department" means the department of revenue.

15           2. "Military family relief fund" means the fund under s. 25.38.

16           (b) *Voluntary payments.* 1. 'Designation on return.' Every individual filing an  
17 income tax return who has a tax liability or is entitled to a tax refund may designate  
18 on the return any amount of additional payment or any amount of a refund due that  
19 individual for the military family relief fund.

20           2. 'Designation added to tax owed.' If the individual owes any tax, the  
21 individual shall remit in full the tax due and the amount designated on the return  
22 for the military family relief fund when the individual files a tax return.

23           3. 'Designation deducted from refund.' Except as provided in par. (d), if the  
24 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80

## SECTION 6

1 (3) and (3m), the department shall deduct the amount designated on the return for  
2 the military family relief fund from the amount of the refund.

3 (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails  
4 to remit an amount equal to or in excess of the total of the actual tax due, after error  
5 corrections, and the amount designated on the return for the military family relief  
6 fund:

7 1. The department shall reduce the designation for the military family relief  
8 fund to reflect the amount remitted in excess of the actual tax due, after error  
9 corrections, if the individual remitted an amount in excess of the actual tax due, after  
10 error corrections, but less than the total of the actual tax due, after error corrections,  
11 and the amount originally designated on the return for the military family relief  
12 fund.

13 2. The designation for the military family relief fund is void if the individual  
14 remitted an amount equal to or less than the actual tax due, after error corrections.

15 (d) *Errors; insufficient refund.* If an individual is owed a refund that does not  
16 equal or exceed the amount designated on the return for the military family relief  
17 fund, after crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error  
18 corrections, the department shall reduce the designation for the military family  
19 relief fund to reflect the actual amount of the refund that the individual is otherwise  
20 owed, after crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error  
21 corrections.

22 (e) *Conditions.* If an individual places any conditions on a designation for the  
23 military family relief fund, the designation is void.

1 (f) *Void designation.* If a designation for the military family relief fund is void,  
2 the department shall disregard the designation and determine amounts due, owed,  
3 refunded, and received without regard to the void designation.

4 (g) *Tax return.* The secretary of revenue shall provide a place for the  
5 designations under this subsection on the individual income tax return.

6 (h) *Certification of amounts.* Annually, on or before September 15, the  
7 secretary of revenue shall certify to the department of military affairs, the  
8 department of administration, and the state treasurer: *all of the following*

9 1. The total amount of the administrative costs, including data processing  
10 costs, incurred by the department in administering this subsection during the  
11 previous fiscal year.

12 2. The total amount received from all designations for the military family relief  
13 fund made by taxpayers during the previous fiscal year.

14 3. The net amount remaining after the administrative costs, including data  
15 processing costs, under subd. 1. are subtracted from the total received under subd.

16 2.

17 (i) *Appropriations.* From the moneys received from designations for the  
18 military family relief fund, an amount equal to the sum of administrative expenses,  
19 including data processing costs, certified under par. (h) 1. shall be deposited in the  
20 general fund and credited to the appropriation account under s. 20.566 (1) (hp), and  
21 the net amount remaining that is certified under par. (h) 3. shall be deposited in the  
22 military family relief fund and credited to the appropriation under s. 20.465 (2) (g).

23 (j) *Amounts subject to refund.* Amounts designated for the military family relief  
24 fund under this subsection are not subject to refund to the taxpayer unless the  
25 taxpayer submits information to the satisfaction of the department, within 18

**SECTION 6**

1 months after the date on which the taxes are due or the date on which the return is  
2 filed, whichever is later, that the amount designated is clearly in error. Any refund  
3 granted by the department under this paragraph shall be deducted from the moneys  
4 received under this subsection in the fiscal year for which the refund is certified.

**SECTION 7. Initial applicability.**

6 (1) This act first applies to taxable years beginning on January 1 of the year  
7 in which this subsection takes effect, except that if this subsection takes effect after  
8 July 31 this act first applies to taxable years beginning on January 1 of the year  
9 following the year in which this subsection takes effect.

10 (END)